

## **REMARKS/ARGUMENTS**

Claims 1-6 are pending in the present application. Claims 7-20 are canceled. Claims 1-6 are amended. Support for the amendments may be found in the claims themselves as well as Applicants' Specification on page 12, lines 19-23. Reconsideration of the claims is respectfully requested.

Applicants have amended claims 1-6 and cancelled claims 7-20 from further consideration in this application. Applicants are not conceding in this application that the cancelled and unamended forms of those claims are not patentable over the art cited by the Examiner, as the present claim amendments and cancellations are only for facilitating expeditious prosecution. Applicants respectfully reserve the right to pursue these and other claims in one or more continuations and/or divisional patent applications.

### **I. Examiner Interview**

On October 2, 2008, the Examiner and the undersigned attorney discussed the 35 U.S.C. §112 rejection regarding claims 1-6. No agreement was reached.

The Examiner and the undersigned attorney also discussed the 35 U.S.C. § 103 rejection regarding claims 1-6. No agreement was reached.

### **II. 35 U.S.C. § 112, First Paragraph**

The Examiner objected to the specification under 35 U.S.C. § 112, first paragraph, as failing to adequately teach how to make and/or use the invention in claims 1-6 and 8-19. Additionally, the Examiner rejected the claims under the same reasons. This rejection is respectfully traversed.

The Examiner states:

Claim 1 teaches a second user making a transaction over a phone or internet, and changing a second communication device to a location of a vendor supplying goods or services over the phone or the internet. However, Applicant's specification teaches changing the location to that of the account holder, not that of the vendor location.

Specifically, "In the case where the account holder is purchasing goods or services with a vendor over the phone or via the Internet, the merchant location information can be changed to the location of the account holder, such that the two locations will match."

Office Action dated June 9, 2008, p. 4.

Applicants canceled claims 8-19 in this paper, therefore the 35 U.S.C. § 112, first paragraph rejection regarding claims 8-19 is now moot. With respect to claims 1-6, Applicants have amended claim 1 to state "wherein the second location is made to match a location of the first account holder," in

accordance with Applicants Specification. Support for the amendment may be found on page 12, lines 19-21 of Applicants Specification. The Examiner asserts in the Office Action, dated June 9, 2008, that claim 1 should be amended accordingly. Therefore, the 35 U.S.C §112, first paragraph rejection vis-à-vis claims 1-6 has been overcome.

### **III. 35 U.S.C. § 103: Asserted Obviousness**

The Examiner rejected claims 1-6 and 8-19 under 35 U.S.C. § 103(a) as unpatentable over *Suzuki et al.*, Method and System to Prevent Fraudulent Payment in Credit/Debit Card Transactions, and Terminals Therefor, U.S. Patent 6,612,488 (dated September 2, 2003) (hereinafter “*Suzuki*”) in view of *Marcé et al.*, Telecommunication System, and Mobile Station, and Database, and Method, U.S. Patent 6,941,129 (dated September 6, 2005)(hereinafter “*Marcé*”) in view of *Obradovich et al.*, Personal Communication and Positioning System, U.S. Patent 6,515,595 (dated February 4, 2003) (hereinafter “*Obradovich*”). This rejection is respectfully traversed. Claims 8-19 are canceled herein, therefore this rejection regarding these claims is now moot. Applicants address this rejection for claims 1-6.

In rejecting claim 1, the Examiner asserts that *Suzuki*, *Marcé*, and *Obradovich* teach or suggest elements in claim 1 (See Office Action, dated June 9, 2008, pages 5-8).

The Examiner bears the burden of establishing a *prima facie* case of obviousness based on prior art when rejecting claims under 35 U.S.C. § 103. *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). The prior art reference (or references when combined) must teach or suggest **all the claim** limitations. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). In determining obviousness, the scope and content of the prior art are determined; differences between the prior art and the claims at issue are ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or non-obviousness of the subject matter is determined. *Graham v. John Deere Co.*, 383 U.S. 1 (1966). “Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *KSR Int’l. Co. v. Teleflex, Inc.*, 127 S. Ct. 1727 (April 30, 2007). “Rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. *Id.* (citing *In re Kahn*, 441 F.3d 977, 988 (CA Fed. 2006)).”

The proposed combination of the cited prior art fails to make amended claim 1 obvious.

Amended claim 1 is as follows:

1. (Currently Amended) A computer implemented method for authorizing transactions against an account comprising:
  - associating a first communication device identification with a first communication device, wherein the communication device identification is associated with a first account holder;
  - associating a second communication device identification with a second communication device, wherein the second communication device is associated with a second user different from the first account holder;
  - receiving a transaction comprising a request for authorization to charge an amount against the account using a card associated with the first account holder;
  - receiving a request to change the first communication device identification to the second communication device identification corresponding to the second communication device;
  - in response to the second user making a transaction with the card over the phone or on an internet website belonging to a vendor supplying goods or services, transmitting a unique code entered by the first account holder to a central computer to authorize changing a second location to match a second location of the second communication device, wherein the second location is made to match the location of the first account holder; and
  - authorizing the transaction when the unique code is received.

The Examiner failed to state a *prima facie* obviousness rejection against amended claim 1, because the proposed combination, considered as a whole, does not teach or suggest all of the features of amended claim 1. Additionally, no rational underpinning exists, because neither the references, nor the knowledge available to those of ordinary skill, provide any reason to combine the references to achieve the invention of amended claim 1.

**A. The Examiner Failed to State a *Prima Facie* Obviousness Rejection Because the Proposed Combination of the Cited Art Fails to Teach or Suggest All of the Features of Amended Claim 1.**

The Examiner failed to state a *prima facie* obviousness rejection against amended claim 1, because the proposed combination fails to teach or suggest the following feature in amended claim 1: "in response to the second user making a transaction with the card over the phone or on an internet website belonging to a vendor supplying goods or services, transmitting a unique code entered by the first account holder to a central computer to authorize changing a second location to match a second location of the second communication device, wherein the second location is made to match the location of the first account holder."

In rejecting claim 1, the Examiner cites to *Suzuki*. *Suzuki* teaches the following:

The present invention enables secure, valid card payments in credit transactions to be performed, preventing fraudulent card use even in cases of loss or theft of a card or of information theft. During a transaction authorization process using a transaction terminal disposed in a credit transaction member store and connected with a host computer, user validation or credit administration is carried out by using a portable communication terminal to input to the host computer identity information which has been previously registered in the portable communication terminal and/or location information for the portable communication terminal.

*Suzuki*, Abstract.

This reference does not teach this feature in amended claim 1. The above-cited section discloses a method for validating a user or allowing a credit transaction to be performed by using a portable communication terminal. The above-cited section also discloses inputting identity and/or location information in the portable communication terminal. However, neither this section nor any other section of *Suzuki* discloses “in response to the second user making a transaction with the card over the phone or on an internet website belonging to a vendor supplying goods or services, transmitting a unique code entered by the first account holder to a central computer to authorize changing a second location to match a second location of the second communication device, wherein the second location is made to match the location of the first account holder”, as recited in amended claim 1. The Examiner does not assert otherwise. Thus, *Suzuki* fails to teach or suggest this feature in amended claim 1.

*Marcé* fails to make up for the deficiencies of *Suzuki*. *Marcé* states as follows:

Thereto, the telecommunication system according to the invention is characterized in that said database comprises subscriber-information related to said identification code for allowing at least a part of said subscriber-information at least to be exposed to at least one further subscriber, with said mobile station comprising a transmitter for transmitting an update code to said network via at least one fixed station, and with said network comprising a receiver for receiving said update code for updating at least a part of said subscriber-information stored in said database.

*Marce*, column 1, lines 41-50.

The above-cited section from *Marcé* discloses sending codes to fixed stations within a telecommunication network to update stored subscriber information. *Marcé* requires the presence of a telecommunication system with at least one fixed station that includes a transmitter for transmitting an update code for updating subscriber-information stored in a database. However, neither the above-cited section nor any other section of *Marcé* discloses “in response to the second user making a transaction with the card over the phone or on an internet website belonging to a vendor supplying goods or services, transmitting a unique code entered by the *first account holder* to a central computer to authorize changing

a second location to match a second location of the second communication device, wherein the second location is made to match the location of the first account holder”, as recited in amended claim 1. *Marcé* is entirely devoid of this teaching. *Marcé* does not disclose a first account holder entering a unique code to authorizing changing a second location to match the location of the second communication device. Nor does *Marcé* disclose matching the second location of the second communication device to match the location of the first account holder.

Because *Marcé* does not teach or suggest the recited features of amended claim 1, *Marcé* fails to make up for the deficiencies of *Suzuki* and also fails to make amended claim 1 obvious. One of ordinary skill in the art would have no rational reason for looking to the cited prior art since not all the features of amended claim 1 are taught or suggested. The combination of *Marcé* and *Suzuki* fails to make amended claim 1 obvious, because the features of amended claim 1 are not taught or suggested in the combination of these two references.

Still further, *Obradovich* fails to make up for the deficiencies of *Suzuki* and *Marcé*. *Obradovich* states as follows:

Thus, the PCD can be used to monitor the locations of individuals utilizing PCDs. For example, credit authorization agencies may make use of the location monitoring capability provided by the PCD in determining the validity of credit requests. FIG. 46 illustrates a method of credit authorization using the PCD. In step 1360, an individual makes a request for credit. This may be accomplished in a variety of manners including “swiping” a credit card through a credit card reader at a gas station, supermarket, or a variety of other locations, or merely by providing a credit card to a retail clerk who thereafter requests credit authorization. The request for credit may be made to a credit card issuer, or may merely be a request for credit authorization by a credit reporting facility.

If credit authorization according to prior art practices is appropriate, then the credit authorizer transmits an interrogatory to the individual’s PCD in step 1368. In step 1370, the credit authorizer waits a predetermined time for a response from the PCD. In step 1371 the credit authorizer determines if a response from the PCD has been received. If a response from the PCD has been received, the credit authorizer determines if the PCD location is consistent with the request for credit in step 1372. This may be accomplished by determining if the PCD is at the location from which credit was requested.

*Obradovich*, column 24, lines 57-67 and column 25, lines 1-3, and column 25, lines 9-22.

The above-cited section of *Obradovich* discloses a PCD or personal communication device that includes a GPS receiver. This section also discloses authorizing a credit transaction when a credit authorizer transmits an interrogatory to an individual’s PCD and then receives a response from the PCD locating the individual at the same location as the credit request using a GSS receiver. However, neither this section nor any other section of *Obradovich* teaches or suggests, “in response to the second user making a transaction with the card over the phone or on an internet website belonging to a vendor

supplying goods or services, transmitting a unique code entered by the first account holder to a central computer to authorize changing a second location to match a second location of the second communication device, wherein the second location is made to match the location of the first account holder,” as stated in amended claim 1.

Contrary to the Examiner’s assertions, *Obradovich* does not teach “changing the location of a portable communication device so the device may or may not be co-located with a credit transaction.” Contrary to amended claim 1, *Obradovich* specifically teaches denying a credit request if a reported location is not consistent with a request for credit.

In step **1362**, the request for credit is transmitted to a credit authorizer. In step **1364**, the credit authorizer determines whether credit authorization is appropriate in view of the credit authorizer’s prior art credit authorization practices. Such prior art practices include the use of credit limits, past credit usage, and other factors. If the credit authorizer determines the credit authorization according to prior art practices is not appropriate, then credit authorization is denied in step **1366**. If credit authorization according to prior art practices is appropriate, then the credit authorization transmits an interrogatory to the individual’s PCD in step **1368**. In step **1370**, the credit authorizer waits a predetermined time for a response from the PCD. In step **1371**, the credit authorizer determines if a response from the PCD has been received. If a response from the PCD has been received, the credit authorizer determines if the PCD location is consistent with the request for credit in step **1372**. This may be accomplished by determining if the PCD is at the location from which credit was requested. If the reported location is consistent with the request for credit, then the process grants or authorizes credit in step **1378**. *If the reported location is not consistent with the request for credit, the process denies credit* in step **1366**. If no response is received from the PCD, the credit authorizer determines if previous PCD reported locations are consistent with the location from which credit was requested in step **1374**. For example, the credit authorizer may have received response from previous requests for position from the PCD, or an e-mail address of the credit authorizer may have been entered by the individual for AUTO-TIMED or MOVE position updates. *If the previous location is consistent with the request for credit, then the process grants or authorizes credit* in step **1378**. If the previous locations is not consistent with the request for credit, the process denies credit in step **1366**.

*Obradovich*, column 25, lines 4-37 (emphasis added).

The above-cited section, referred to by the Examiner, clearly states that if a previous location is *consistent* with the request for credit, then the process grants or authorizes credit. No mention is made in either this section nor any other section of *Obradovich* for “in response to the second user making a transaction with the card over the phone or on an internet website belonging to a vendor supplying goods or services, transmitting a unique code entered by the first account holder to a central computer to authorize changing a second location to match the location of the second communication device, wherein

the second location is made to match a location of the first account holder,” as recited in amended claim 1.

As can be seen, many differences exist between amended claim 1 and *Obradovich*. For example, *Obradovich* does not teach or suggest authorizing a second user to use a card belonging to a first account holder. *Obradovich* also does not teach or suggest allowing a second user using a second communication device that is made eligible for a transaction using a unique code. Thus, contrary to the Examiner’s assertions, *Obradovich* fails to make up for the deficiencies of *Suzuki* and *Marcé*. Indeed, the proposed combination of *Suzuki*, *Marcé*, and *Obradovich* fails to teach or suggest all of the features of amended claim 1. Thus, under the standards of *In re Royka*, the proposed combination of the cited prior art fails to make amended claim 1 obvious.

#### **B. The Examiner Failed to State a Proper Reason to Combine the References.**

Additionally, under the standards of *KSR Int’l*, the Examiner failed to state a proper reason to combine the references to achieve amended claim 1. With regard to a reason to combine the references, the Examiner states that:

Therefore it would have been obvious to one of ordinary skill in the art to include in the communication and credit authorization system of the combined references the ability to change the location of a communication device as taught by *Obradovich* et al. since the claimed invention is merely a combination of old elements, and in the combination each element would have performed the same functions as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Office Action, dated June 9, 2008, page 8.

Contrary to the Examiner’s assertions, the combination of each element would not have performed the same functions as each did separately. As previously discussed, *Suzuki* does not disclose changing a first communication device identification to a second communication device identification corresponding to a second device. The Examiner relies on *Marcé* to make up for the deficiencies of *Suzuki*. However, as previously discussed, *Marcé* does not disclose this feature of amended claim 1 either. *Marcé*’s invention is solely directed to allowing subscribers to update each other’s information when on the same telecommunications network and using an identification code. However, *Marcé* is not disclosing changing communication device identifications from one device to another. Nowhere is this feature of amended claim 1 taught or suggested at any length in *Marcé*. Therefore, there is no reason for one of ordinary skill in the art to look to combine either *Suzuki* or *Marcé* to achieve these features of amended claim 1. *Obradovich* also clearly fails to teach or suggest the absent features from *Suzuki* and *Marcé*.

Due to the large differences, already described, between the references individually and when combined as a whole, one of ordinary skill would have no rational underpinning to achieve the legal conclusion of obviousness of amended claim 1 in view of the references, considered as a whole.

The Examiner is broadly characterizing the illustrative embodiment and seems to be substituting personal opinion by saying that “the claimed invention is merely a combination of old elements, and in the combination each element would have performed the same functions as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.” Under the standards of *In re Bell*, personal opinion cannot be substituted for what the prior art teaches because a *prima facie* case of obviousness is established when the teachings of the prior art itself suggest the claimed subject matter to a person of ordinary skill in the art. *In re Bell*, 991 F.2d 781, 783, 26 U.S.P.Q.2d 1529, 1531 (Fed.Cir.1993). The Examiner is not permitted to find just any combination of prior art and then assert the obviousness of a claim in view of the combination; instead, the Examiner must comply with the requirements of *KSR Int'l* to establish a *prima facie* obviousness rejection. All inventions are created from what was known before. However, under the standards of *In re Royka*, the prior art references when combined must teach or suggest all the claim limitations.

In this case, one of ordinary skill would not have a reason to look to the cited references due to when the cited references fail to each teach or suggest the features of amended claim 1, either individually or when viewed as a whole. Accordingly, under the standards of *KSR Int'l*, the Examiner failed to state a *prima facie* obviousness rejection against claim 1.

#### **IV. Remaining Claims**

Claims 2-6 depend from independent claim 1. Claims 2-6 incorporate all of the features of amended claim 1. Therefore, at least by virtue of their dependency on amended claim 1, claims 2-6 are non-obvious for the reasons cited above. In addition, claims 2-6 are non-obvious on their own accord as a result of features not taught or suggested by the prior art. For example, claim 3 discloses, “wherein the unique code may be changed by the cardholder at random.” The cited prior art fails to teach or suggest this feature. This is simply not taught or suggested in the prior art references. Thus, claims 2-6 are non-obvious in view of the cited prior art. Therefore, the rejection of claims 1-6 under 35 U.S.C. § 103 has been overcome.

V. **Conclusion**

It is respectfully urged that the subject application is patentable over the cited references and is now in condition for allowance. The Examiner is invited to call the undersigned at the below-listed telephone number if in the opinion of the Examiner such a telephone conference would expedite or aid the prosecution and examination of this application.

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Respectfully submitted,

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